

*STATE OF ILLINOIS  
CHIEF PROCUREMENT OFFICE*



TO: Procurement File – CDB Project 630-540-004, Juneau Associates, Inc. PC

FROM: Fredrick Hahn, CPO

DATE: August 5, 2011

RE: Illinois Procurement Code, Section 50-35 Potential Conflict of Interest

A potential conflict of interest was identified in the selection of Juneau Associates, Inc. (“JAI”) for an architect-engineer contract with the Capital Development Board (“CDB”). The CPO for CDB referred the issue to the Procurement Policy Board (“PPB”) by letter dated May 16, 2011. The PPB formally reviewed the matter at its June 14, 2011 meeting. The PPB recommended that the award/contract be voided. In order to proceed with the procurement, the CPO is required under Section 50-35 to conduct a public hearing. The CPO chose to conduct a hearing in order to better determine whether the procurement should proceed. Notice of a public hearing was posted on July 8, 2011, with the hearing scheduled for July 22, 2011. The CPO identified several individuals who may have information about this matter, and they were notified by email/letter on July 8<sup>th</sup> to attend the hearing. Their names are included on the agenda for the hearing.

Of those invited to attend the hearing, testimony was received from Todd DeJaynes, Abdulgaffar Shedbalkar, James Cockrell, Don Broughton, Jim Riemer, Sr., Jim Riemer, Jr., Charles Juneau, and William Baudendistel (Mr. Baudendistel took the place of Joseph Juneau because he had been involved in the procurement and Joseph had not). The other individuals invited to the hearing to did not present themselves. None of them ever provided an explanation for why they could not or did not attend.

Four individuals from CDB gave testimony. One participated as a “pre-screener” of offers; the other three were members of the selection committee. All four indicated they were never approached by either of the Riemers or anyone else about who should be selected for the contract. All four indicated they had no knowledge that the Riemers were involved with lobbying on behalf of JAI.

The two Riemers stated that the scope of their lobbying for JAI was limited to legislation pertaining to procurement legislation affecting veteran owned businesses. They stated that neither of them lobbied on behalf of this procurement, and neither of them had any contact with any of the pre-screeners or members of the selection committee. They indicated that the lobbying efforts began in March 2011 as part of the 2011 legislative season. Jim Riemer, Sr. indicated that as CDB’s Executive Director, he retired effective December 31, 2010. He stated that as Executive Director, he had no role in the Juneau selection, including having no discussions with any of the pre-screeners or members of the selection committee about the selection. Both Riemers submitted affidavits/statements in advance of the hearing.

Mr. Juneau and Mr. Baudendistel stated that their engagement of the Riemers as lobbyists – JAR

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Consulting, Inc. – occurred in March 2011 and was limited to legislation pertaining to procurement laws affecting veteran owned businesses. Both are veterans of a uniformed service. They indicated that JAR Consulting, Inc. was never authorized to lobby CDB about procurement, including this specific contract. They also indicated that the lobbying contract ended with the legislative season. They submitted documents in advance of the hearing. The documents include affidavits, email correspondence, and the lobbying contract and related information.

## **CPO DETERMINATION**

I have determined that this procurement may move forward. The hearing disclosed the following facts that support this result:

1. JAI's engagement of JAR Consulting, Inc. for lobbying was limited to legislation affecting procurement. The relationship spanned the period from March 31, 2011 through June 30, 2011. Preliminary steps to the relationship are detailed in a chronology prepared by Juneau. The chronology is accurate and supported by documents within CDB's file. None of those steps relate to this contract or lobbying CDB.
2. This procurement began on December 21, 2010 with CDB posting its need for an architect-engineer. Submittals were due by January 6, 2011 – JAI's was submitted on January 5<sup>th</sup>. CDB's pre-screening and selection process occurred in January and February 2011. The committee concluded the selection, including a rank ordering of the top three firms, on February 3, 2011, as reflected in minutes from the selection meeting. The selection was submitted to the CDB Board at its March 17, 2011 meeting for formal approval. The Board approved the staff recommendations, including the ranking of Juneau as number 1.
3. There is no evidence that either of the Riemers contacted any member of the pre-screening or selection committee at any time during the selection process. Each such member who gave testimony stated the selection was without any outside influence being brought upon them.
4. Jim Riemer Sr.'s term as executive director ended effective December 31, 2010. He played no role in the selection process.

The following documents are included with this memorandum:

- Minutes of Selection Committee Meeting, February 3, 2011
- CPO Letter to PPB, May 16, 2011, with attachments
- Notice of July 22, 2011 Hearing
- Affidavit of Jim Riemer, Sr., July 20, 2011
- Statement of Jim Riemer, Jr., July 20, 2011
- JAI Submittal of July 20, 2011, consisting of a cover sheet; 18 pages of email; 3 affidavits; a summary email regarding a conversation between Juneau and the CPO; a chronology; JAI – JAR contract, with transmittal; and March 17, 2011 CDB award letter to JAI
- "Witness Slips" pertaining to SB 1270

cc: Procurement Policy Board  
Nicki Patterson